



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
CARVEL STATE BUILDING
820 N. FRENCH STREET
P.O. BOX 8911
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DIVISION OF REVENUE

TECHNICAL INFORMATION MEMORANDUM 98-5¹.

JULY 17, 1998

**SUBJECT: UPDATE TO REALTY TRANSFER TAX AFFIDAVIT OF GAIN
AND VALUE, FORM 5402.**

**CONTACT: STEVE SEIDEL, SENIOR TAX AUDITOR
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House Bill No. 757 of the 139th General Assembly, 71 Del. Laws ch. 349, increases the rate at which Delaware local jurisdictions may impose local taxes on transfers of real property. In the case where the local tax equals 1.5%, the State's realty transfer tax decreases from its present 2.0% to 1.5%.

The Act is effective when certain conditions set forth in 30 Del. C. § 5425 come about. These conditions will be met as of July 20, 1998.

Line 5 of Form 5402 reflects the current 2.0% state realty transfer tax rate. As provided in H.B. No. 757, however, that rate will now be either 2.0% or 1.5% depending on the jurisdiction in which the real property being transferred is located. In the event the rate is 1.5%, the calculation on Form 5402 should be performed using 1.5%, and the "2.0%" printed on the form should be stricken to reflect the use of the lower rate.

Sellers or their representatives should consult the Recorder of Deeds in the appropriate county to determine the appropriate rates for state and local realty transfer taxes.

William M. Remington
Director
Delaware Division of Revenue

¹ "Proposed Technical Information Memorandum 98-" relating to Contractors' license tax will be numbered Technical Information 98-4 when finalized.